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JACK ROSE  
CUTIVE SECRETARY

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ARIZONA CORPORATION COMMISSION

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October 15, 1998

Arizona Corporation Commission

DOCKETED

OCT 19 1998

Commissioner Renz Jennings  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

DOCKETED BY

T-01051 B-97-0689  
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Dear Renz:

For eight weeks, I've witnessed a stream of utility executives come in and out of this Commission to meet with your Executive Secretary, Jack Rose. The topic: How much Arizona ratepayers will ultimately pony up to bail out more than \$1 billion dollars of alleged uneconomic investment made by Arizona utilities.

These meetings have been held behind closed doors, with no public participation, no residential consumer representation (although the mines and industry were well represented). In short, these meetings have occurred with your repeated blessing.

Today, *The Arizona Republic* ran a story about another such deal being cut with US West. Of course, you were quick to point out your skepticism and said, "Color me extremely nervous about this."

No, color you disingenuous.

As you well know, this deal too was cut behind your closed doors, with little consumer participation (RUCO was present but only on occasion). The truth is that the Executive Secretary, who operates at your discretion pressured staff to cut this deal. I understand that the consultant, hired by the former Director of Utilities to work on the US West filing, expressed concern that staff's position and ability to negotiate was weakened by this concerted effort to settle this proposal.

Further, it was you who leaked the settlement document to your Democrat toady, Jon Poston, who is paid by several large utilities himself. Your effort to spin this back on Republicans is deplorable. This is your deal, not mine.

For the record, I do not know if the settlement is fair or not. But your process stinks. I have complained about settlements dating back to the Tucson Electric Power decision nearly three years ago. Yet, you push for more "deals" and then criticize me for not supporting your private process.

Your efforts to politicize every item filed in front of this Commission is outrageous. If you are not happy with these kinds of deals, then do the right thing and remove Mr. Rose from the process. You and you alone are responsible for this untenable situation and it is you that have made book with the utilities that you so publicly like to chastise. I am a "no" vote on electric deregulation. Not because I am against deregulation, but because I am against back-room deals that hurt Arizona families.

Commissioner Jennings

10/15/98

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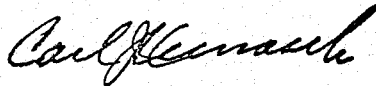
Now your handpicked successor for the Commission, Paul Newman, has suggested that consumers should not know the details of your closed-door discussions with large utilities that will decide how much we consumers pay for our utility service. In the September 24<sup>th</sup> *Mesa Tribune*, he said, "the real problem at the Commission is that Commissioners aren't working things out before meetings...in private." Apparently, Mr. Newman supports Mr. Rose's effort at resolving issues such as the US West filing that will cost consumers \$126 million dollars.

And as you well know, this is not Mr. Rose's first effort at trying to pressure parties into a bad deal. One year ago, Mr. Rose attempted to pressure the Commission's Chief Hearing Officer, Jerry Rudibaugh, into circumventing commission rules and approving a request from another of your utility associates for special treatment without a hearing.

Furthermore, several parties have expressed concerns about an electric deregulation process fixed from the start. In the end your process and support for Mr. Rose will lead to higher rates and record utility profits.

It is you who continue to sell consumers short by excluding them from the important business of this Commission.

Sincerely,



Carl J. Kunasek  
Commissioner

CJK/bgm